

## BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Nebraska Public Service )  
Commission, on its own motion, to investigate )  
issues related to the calculation and )  
reimbursement of costs to carriers of )  
implementing enhanced wireless 911 service. )

Application No. 911-015/PI-106

### COMMENTS OF NEXTEL PARTNERS

#### I. INTRODUCTION

NPCR, Inc., d/b/a Nextel Partners ("Nextel Partners"), submits these comments pursuant to the *Order Opening Docket* issued by the Nebraska Public Service Commission ("Commission") on August 30, 2005.<sup>1</sup> Nextel Partners holds Federal Communications Commission licenses to provide commercial mobile radio services (CMRS) in a large portion of the state of Nebraska.

In the *Opening Order*, the Commission sought comment on the following issues:

1. How wireless carriers and local exchange carriers (LECs) determine costs related to implementing or providing enhanced wireless 911 service, both Phase I and Phase II. Please specifically comment on the basis for those costs (e.g. wireless towers, subscriber counts, access lines, etc.), what services are included in those costs, and any formulas used in the calculation of costs.
2. If you provide service in any other state, please explain whether your costs are calculated in the same way in those other states and if not, please explain how the calculations are different and why.
3. Indicate whether you receive cost recovery or any kind of subsidy for the purposes of providing or implementing enhanced wireless 911 service in any other state and the extent and basis of that cost recovery. Advise which states are involved and whether you receive full cost recovery or

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<sup>1</sup> *In the Matter of the Nebraska Public Service [sic], on its own motion, to investigate issues related to the calculation and reimbursement of costs to carriers of implementing enhanced wireless 911 service, Application No. 911-015/PI-106, Order Opening Docket and Requesting Comments (Aug. 30, 2005) ("Opening Order").*

something less. If you do not receive full cost recovery, outline what costs are reimbursable.

4. Whether a uniform calculation should be established for determining levels of cost recovery in Nebraska for enhanced wireless 911 service.
5. Any other factors impacting the costs of implementing or providing enhanced wireless 911 service.

Nextel Partners appreciates the opportunity to provide comment on these issues.

## **II. NEXTEL PARTNERS' E911 COSTS**

The Commission has sought comment on how carriers incur costs to implement Phase 1 and Phase 2 E911. Nextel Partners' response is limited to its experience – how it, as a wireless carrier implementing a handset-based solution, incurs costs to implement enhanced 911. When a PSAP makes a request for E911 service, Nextel Partners incurs the following internal costs: (i) labor costs for its deployment team to verify the validity of the request; (ii) labor costs to engineer and procure trunks for the requested service; and (iii) labor costs for project management. These internal costs are calculated on a national level and then allocated based on the number of active cell sites on Nextel Partners' network. Nextel Partners incurs external costs for the installation of trunks to support the service, and for its third party vendor to coordinate call routing, update the ALI database, and support deployment and maintenance. Trunking rates are billed by the provisioning LEC based on established tariff rates. Fees are paid to Nextel Partners' third party vendor, Intrado, on a per-cell site basis based on the parties' contract.

## **III. COSTS IN OTHER STATES**

Nextel Partners provides service in 31 states, and is subject to E911 implementation requirements in those areas. Nextel Partners' costs of implementing PSAP requests are generally the same across jurisdictions. Internal deployment costs and third party vendor costs are incurred on a national basis. ILEC trunking rates vary by LEC rather than by state.

#### **IV. COST RECOVERY IN OTHER STATES**

Most states provide wireless carriers with some level of cost recovery. Cost recovery is generally provided for the three categories of deployment costs described above – internal costs, trunking costs, and third-party vendor costs. The exact amount of recovery and the formulas used to determine recovery amounts do vary based on state or local legislation, service agreements with individual PSAPs, or state wireless board actions.

#### **V. A UNIFORM CALCULATION FOR COST RECOVERY**

The Commission has sought comment on whether it should set a uniform calculation for cost recovery. Nextel Partners understands this question to relate to carrier cost recovery, not PSAP cost recovery. Nextel Partners fully supports a continuance of the Commission's current cost recovery program, which provides recovery for costs such as the rental of trunks from LECs that convey ALI and ANI to PSAPs, the operation of a database used in providing ALI, and monthly support of other 911-related systems. It will be difficult, however, to establish a uniform calculation for cost recovery in light of the fact that allocated internal costs vary based on the number of requests, and trunking costs vary based on the provider of the facility and the wireless carrier's needs. In addition, from a policy perspective, cost recovery should neither undercompensate nor overcompensate a carrier, and a uniform cost recovery amount would likely lead to one of those two results. Therefore, Nextel Partners does not view a uniform cost recovery mechanism as a workable solution.

#### **VI. OTHER FACTORS**

Nextel Partners would encourage the Commission to find ways to streamline the administrative procedures used for cost recovery. For example, based on the way in which Nextel Partners allocates internal costs, per-cell site costs vary over time based on the number of requests that are made across its service territories. The problems associated with calculating

exact costs at various points in time have led to questions from staff and delayed cost recovery payments. If the Commission had a mechanism to more quickly reimburse carriers during the year, subject to an end-of-year true up based on final, accurate cost information, Nextel Partners believes that the process would be improved. The state of Alabama has implemented this kind of year-end true up, and it has been successful.

## **VII. CONCLUSION**

Nextel Partners appreciates the opportunity to provide these comments to the Commission.

Respectfully submitted this 14<sup>th</sup> day of October, 2005.

**NPCR, INC., d/b/a NEXTEL PARTNERS**

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## CERTIFICATE OF SERVICE

The undersigned hereby certifies that on this 14<sup>th</sup> day of October, 2005, an original, five copies and an electronic copy of the Comments of Nextel Partners in Application No. 911-015/PI-106 were hand delivered to:

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